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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 001395

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TAGS: ECON PGOV PREL BL ASEC

SUBJECT: TARIJA'S TURN: AUTONOMY VOTE AND WHAT'S NEXT

REF: LA PAZ 1358

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

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Summary  
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¶1. (C) The vote for autonomy in the department (state) of Tarija will take place on Sunday, June 22. In line with the three previous autonomy votes in Santa Cruz, Beni, and Pando, polls indicate that support for autonomy will be over 70 percent. Additionally, Tarijenos made clear that President Morales was not welcome in the state leading up to the vote, effectively blocking his arrival at the airport. Tarija does, however, show regional divides and its prefect (governor), Mario Cossio, may well have difficulty maintaining his post in the August 10 recall elections. The spin and initial acts following the autonomy vote may well prove crucial for his survival. End Summary.

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Autonomy's Approval, Morales not Welcome  
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¶2. (U) The most recent polling indicates that autonomy in Tarija will be approved by over 70 percent, with less than 15 percent opposed. The Movement Toward Socialism (MAS) is pushing abstention in the state, but has made little headway. While the MAS does enjoy a support base of around 30 percent in the state, regional autonomy is a popular concept. A visit by President Morales was planned for June 18 to donate ambulances to several municipalities, but in light of boisterous protests at all three entrances to the local airport the visit was canceled. Celinda Sosa, the former minister of production and part of the presidential delegation said that the trip was canceled to avoid confrontations, but Government Minister Alfredo Rada justified the cancellation by saying that it was important for Morales to attend Bolivia's soccer match against Paraguay. This marks the fourth time that Morales has had to cancel trips in the past two month due to local protests (Reftel). While most Tarija residents believe the autonomy vote will pass without violence (polling indicates 64 percent hold this belief), the departmental electoral court has warned of five areas of potential violence. Consistent with other autonomy votes neither the police nor the military will provide security at polling places. Local volunteers will

fill this void and local authorities are confident that violence will be isolated and minimal.

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Regional Divides: the Chaco versus the Valley  
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¶13. (SBU) While Tarija is the wealthiest state on a per capita basis, a divide exists between the eastern portions (the Chaco) and the western valley where the capital and largest city, Tarija, is located. The cleavage is historic, but has been accentuated by a struggle over resources; most of Bolivia's gas reserves are located in the Chaco, and the locals want even greater benefits. The Chaco considers itself a separate region and actually voted against autonomy (55 percent) in the 2006 national vote sanctioning the current string of state autonomy referenda. The state government is anxious to have autonomy approved this time around in each of Tarija's regions. Hugo Carvajal, the state official in charge of international relations, indicated that autonomy currently has the support of 60 percent of Chaco residents (as opposed to 80 percent in the valley).

¶14. (SBU) The regional divide was further evidenced last week, when local officials in the border town of Yacuiba (the principal border crossing with Argentina) held an unprecedented and apparently illegal vote for a new subprefect. (Subprefects are regional leaders appointed by the prefect, nowhere in Bolivia are they voted on directly.) With only 33 percent participation, the MAS candidate (Guimer Veizaga) won the position with 41 percent of the cast ballots

LA PAZ 00001395 002 OF 003

(equal to just 13 percent of the eligible voters). Prefect Cossio is not recognizing the election and the MAS is trying to use his reaction as evidence of Cossio's undemocratic ways, his lack of popularity in the Chaco, and his hypocrisy in pursuing autonomy for the state as a whole, while not recognizing autonomy within Tarija's own borders (Note: Ironically, Tarija's autonomy statute would further decentralize local governance. In fact, it calls for the implementation of direct voting for the subprefects. With autonomy, subprefects will be known as "agents of development" and will increase in number from six to eleven. Additionally, autonomy in Tarija will create three indigenous autonomies. End note).

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Cossio in Trouble, MAS to Attack  
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¶15. (SBU) Prefect Cossio is becoming an increasingly controversial leader. While he currently enjoys a 63 percent approval rating, MAS charges of corruption are sticking. Moreover, his ineffectiveness in building local political coalitions (the animosity between Cossio and Tarija's mayor Oscar Montes is well known) and autocratic style have alienated many voters. Cossio's challenge will be to spin the popularity of autonomy in his favor and use newly approved powers to win back disillusioned voters before the August 10 recall vote. For Cossio to be recalled, "no votes" would need to exceed the 47 percent of the vote he obtained upon being elected in 2006.

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Autonomy's Meaning and Possible First Steps  
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¶16. (SBU) According to Ruben Ardaya, the department's chief financial administrator, autonomy will bring four principal changes. One, it will more vertically integrate the capital with the municipalities. Two, it will increase relations between the local government and civil society. Three, a new state parliament will be elected. Four, new institutions will be created, including new judicial positions, police, and agricultural entities. As opposed to Santa Cruz, Tarija's

new institutions will be linked to the national structure. For example, Tarija envisions its own police force, but ultimately under the control of a national commander and its food safety agency would run local technical programs, but would be subject to national norms. In Santa Cruz, these national controls are absent. Moreover, Ardaya said that Tarija's vision is much more decentralized than Santa Cruz, whose autonomy he likened to a strong presidential system within the department itself. That said, beyond the technical details, for Ardaya the "essence of autonomy" is a change in attitude. It is an optimism that the region can control it's own affairs and pursue it's own vision of the future.

¶7. (SBU) Cossio's challenge will be to capitalize on this optimism and show that he can make autonomy work in less than two months time -- a heavy burden. Carvajal thinks that Cossio's first steps as an "autonomous prefect" will be to redistribute as many resources as possible, but he will also need to take steps to decentralize political power as quickly as he can via votes for "development agents" and for members of the new prefectoral parliament. In his closing speech in favor of autonomy on Thursday 19, Cossio threatened to retain the controversial Direct Tax on Hydrocarbons (IDH) in Tarija rather than having it first flow to the central government and then back to the region. While the mechanics of such a move are unclear, the Morales administration has in the past promised a strong, even military, response to such a move. A portion of the IDH taxes that used to go the prefectures is now being used to support the government's national social security scheme.

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Comment  
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¶7. (C) The fight for political control in Tarija will

LA PAZ 00001395 003 OF 003

begin, not end, with autonomy. Local leaders believe that the MAS's "dirty war" against Cossio will ramp-up following the passage of the autonomy referendum. If the MAS succeeds in defeating him in the recall elections, then Tarija's autonomy will likely be rendered inert under the leadership of a MAS appointed prefect. The allure (or distaste for the opposition) of a MAS led autonomous state will likely make Tarija a key battleground in the political wars to come.  
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